University Department of Commerce and Business Management Ranchi University

A Synopsis of Ph.D. Registration on

A study of Corporate Social Responsibilities (CSR) of Public Sector Undertaking (PSU): A case study of Central Coalfield Limited, Ranchi

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INTRODUCTION

Corporate Social Responsibility (CSR) stands as an integral facet of a company's overarching strategy, embodying its commitment to social and environmental stewardship. It entails the voluntary adherence of corporations to ethical standards and ecological sustainability. At its core, CSR signifies a conscious choice by businesses to foster societal well-being and environmental integrity. This paradigm involves the seamless integration of social and environmental considerations into corporate operations and engagements with stakeholders, driven by a sense of moral obligation rather than mandated compliance.

Moreover, CSR encompasses actions undertaken by companies to enrich society through business practices and community investments. It aligns with the ethos of sustainability, advocating that enterprises should factor in not only financial metrics but also the broader societal and environmental impacts of their actions. Hence, CSR encapsulates an organization's accountability for the repercussions of its decisions and endeavors on society, the environment, and its own financial prosperity—an embodiment of the Triple Bottom Line ethos, which emphasizes people, planet, and profit as interconnected elements of corporate success.

The Triple Bottom Line (TBL) principle, comprising the three Ps—People, Planet, and Profit—advocates for comprehensive sustainability by emphasizing attention to the following components:

People: This pertains to fostering equitable and advantageous business practices concerning labor, the community, and the region in which the corporation operates. Securing support from the local populace is vital for the sustained viability of the corporation. As an inseparable entity within society, corporations must demonstrate a steadfast commitment to maximizing benefits for the community.

Planet: This aspect underscores the importance of adopting sustainable environmental practices. Corporations are intricately linked to the health of the planet, where preserving the environment yields reciprocal benefits. A Triple Bottom Line company

prioritizes the avoidance of harmful or destructive products, such as weapons, toxic chemicals, or batteries containing hazardous heavy metals.

Profit: This represents the economic value generated by the organization after subtracting all input costs, including the capital invested. It stands as the foremost priority and primary objective of every business endeavor. Enhancing profitability can be achieved through streamlined work management via process simplification, eliminating inefficiencies, minimizing processing and service durations, and maximizing the efficient utilization of materials.

Corporate social responsibility entails a dedicated effort to enhance the welfare of communities. It transcends mere philanthropy, serving as a foundational business strategy for organizations. It represents a method that harmonizes economic, social, and environmental goals, achieving a balanced approach to business operations.

DEFINITIONS OF CSR

Various authors and institutions have provided definitions of Corporate Social Responsibility (CSR) in recent years.

The concept of CSR was initially introduced at the global level in 1953 in William J. Bowen's publication "Social Responsibilities of Businessmen."

Bowen proposed that the "social responsibility of businessmen encompasses the duties of entrepreneurs to adopt policies, make decisions, or pursue actions that align with the goals and values of our society." The European Commission defines Corporate Social Responsibility (CSR) as the integration of social and environmental concerns into business operations and engagements with stakeholders on a voluntary basis.

The World Business Council for Sustainable Development describes CSR as the ongoing commitment of businesses to act ethically, contribute to economic development, and enhance the well-being of employees, their families, local communities, and society at large.

According to Forbes (2010), corporate social responsibility operates on a reciprocal

basis. Companies contribute to society, leading to increased awareness and favorability among people, thus driving demand for their products and services.

Narayan Murthy, founder of Infosys, defines social responsibility as the creation of maximum shareholder value while ensuring fairness to all stakeholders, including employees, consumers, the community, government, and the environment.

BENEFITS OF CSR

Businesses now recognize that Corporate Social Responsibility (CSR) is a crucial avenue through which an organization can set itself apart from competitors. Several advantages of CSR include:

Benefits to the Company:

1. Enhanced financial performance
2. Decreased operational expenses
3. Improved product safety and reduced liability
4. Promoted workforce diversity
5. Expanded access to capital
6. Mitigated regulatory scrutiny
7. Heightened capability to attract and retain employees
8. Amplified productivity and enhanced quality
9. Augmented sales and bolstered customer loyalty
10. Elevated brand image and enhanced reputation

Benefits to the Community and the General Public:

1. Corporate engagement in educational, employment, and homelessness initiatives within the community
2. Assurance of product safety and high quality
3. Charitable donations and philanthropic endeavors
4. Implementation of employee volunteer programs

Environmental Benefits:

1. Increased recyclability of materials
2. Expanded utilization of renewable resources
3. Enhanced durability and functionality of products
4. Incorporation of environmental management tools into business strategies

INTRODUCTION OF JHARKHAND

Jharkhand, rich in minerals, hosts major mining, steel, and aluminium plants, as well as cement and thermal power conglomerates. It boasts significant reserves of iron ore, coal (accounting for 32% of India's total), copper (25% of India's total), mica, bauxite, manganese, limestone, china clay, fireclay, graphite, magnetite, dolomite, kainite, chromite, asbestos, thorium, feldspar, quartz, uranium, silver, gold, and numerous other minerals. These vital resources play a pivotal role in India's economy. Despite its abundant mineral wealth, Jharkhand starkly contrasts with its widespread poverty among its inhabitants. Historically, Jharkhand has been home to indigenous tribes such as the Mundas, Asurs, Santhals (the world's largest indigenous tribal group numbering around 6 million), Oraons, Ho, Kharias, etc. However, these tribal communities have borne the brunt of large-scale exploitation of natural resources due to mining, deforestation, pollution, and industrial activities. The indiscriminate mining practices have led to the degradation of land, water, air, and forests. Industrial pollution has further deteriorated the living conditions of the people in these areas. The rural populace of Jharkhand raises various issues prevailing in the region, including malnutrition, infant mortality, healthcare, access to clean drinking water, sanitation, unemployment, education, and other socio-economic challenges. Addressing these issues requires concerted efforts from both the government and corporate entities operating in Jharkhand.

Jharkhand, known as the 'Land of Forests', attained statehood as the 28th state of India on November 15th, 2000. The state boasts a rich cultural, historical, and artistic heritage evident in every corner. Its natural greenery and purity captivate visitors. The diverse

array of mineral resources attracts investors and corporate entities alike. Covering a total area of 79,716 sq. km, Jharkhand has a population density of 414 per sq km, surpassing the national average of 382 per sq km. As of the 2011 census, Jharkhand's total population is 32,988,134, with 16,930,315 males and 16,057,819 females, yielding a female sex ratio of 948 females per 1000 males. The literacy rate in Jharkhand, as per the 2011 census, stands at 66.41%, with male literacy at 76.84% and female literacy at 52.04%. Tribals make up approximately 28% of the state's total population, constituting about 8% of India's tribal population. The primitive tribal group (PTG) accounts for 3.9% of India's total scheduled tribe population, with 9 such groups identified in Jharkhand. According to a World Bank report, Jharkhand is India's most populous state, with 33 million residents, 13 million of whom live below the poverty line. This translates to approximately 44% of Jharkhand's population living below the poverty line, with over 6% facing food insecurity. The state's poverty levels are particularly high in its southern and eastern districts, significantly surpassing the national poverty ratio.

CSR IN JHARKHAND

Jharkhand stands out as one of the world's most abundant mineral zones, boasting 40% of India's mineral reserves and 29% of its coal reserves. This wealth of minerals fuels the state's major industries, primarily mining and mineral extraction. Jharkhand hosts a variety of industrial units, encompassing automotive, metals, chemicals, electrical and electronic goods, cement, steel processing, bell metal, hard coke, forging, and hand tool manufacturing clusters.

In 2013, the total annual turnover of Central Public Sector Enterprises (CPSEs) operating in Jharkhand, predominantly in steel, power, coal, and other mining sectors, reached Rs. 60,000 crores, amounting to approximately one-third of the state's net domestic product for that year. Meanwhile, India's overall Corporate Social Responsibility (CSR) budget was estimated to be between Rs. 20,000-25,000 crores in

2014. With Jharkhand's share projected at 3-4%, the CSR funds allocated to Jharkhand companies were estimated to range between Rs. 600-800 crores annually.

The government of Jharkhand recognized the commendable CSR initiatives undertaken by numerous companies, particularly CPSEs and major private sector firms in the state. Additionally, non-corporate entities such as charitable trusts/societies and philanthropic individuals also contribute significantly to CSR efforts in the state. Many of these entities have been engaging in CSR activities long before such obligations were mandated by the Companies Act.[1]

INDIA AND CSR

CSR in India has a rich historical backdrop, evolving through various phases:

Pre-independence period (before-1947)

During the initial phase, CSR in India was primarily influenced by cultural, religious, and familial traditions, as well as the process of industrialization. Business activities and CSR initiatives were predominantly governed by corporate self-regulation. Charity and philanthropy, deeply ingrained in Indian culture, continued to shape CSR practices, particularly in community development efforts. In the pre-industrial era leading up to the 1850s, merchants upheld religious principles by sharing their wealth, often by constructing temples. Additionally, during times of crisis such as famines or epidemics, merchants played a significant role in providing relief by distributing food and resources.

The advent of Western-style industrialization during colonial rule brought about a transformation in CSR practices in India from the 1850s onwards. Notable families like Tata, Birla, Bajaj, Lalbhai, Sarabhai, Godrej, Shriram, Singhania, Modi, Mahindra, and Annamali emerged as pioneers of industrialization in the 19th century, demonstrating a strong commitment to philanthropically driven CSR initiatives.

The second phase of CSR in India (1914-1947) was characterized by the nation's quest for independence and deeply influenced by Gandhi's theory of trusteeship, which

sought to foster and expand social progress. Throughout this era, Indian businesses played an active role in the reform movement. Companies not only viewed the country's economic advancement as a form of resistance against colonial rule but also actively contributed to its institutional and social development (India Partnership Forum, 2002).

Post-independence period

The third phase of Indian CSR (1947-2013) was shaped by the paradigm of the "mixed economy," marked by the emergence of Public Sector Undertakings (PSUs) and the implementation of extensive legislation concerning labor and environmental standards. During this period, there was a notable shift from corporate self-regulation to stringent legal and public regulation of business operations. The public sector assumed a central role in driving development, and the 1960s were characterized as an "era of command and control," with strict legal frameworks dictating private sector activities. High taxes, quotas, and a licensing system imposed significant constraints on private enterprises, indirectly fostering corporate misconduct. Consequently, issues pertaining to corporate governance, labor rights, and environmental concerns gained prominence on the political agenda, leading to the enactment of legislation. Additionally, state authorities established PSUs to ensure equitable wealth distribution to underprivileged segments of society (Arora, 2004).

In the fourth phase (1980 until the present), Indian companies and stakeholders transitioned away from traditional philanthropic practices and, to some extent, incorporated CSR into a comprehensive and sustainable business strategy, partly embracing the multi-stakeholder approach. During the 1990s, the Indian government initiated economic reforms aimed at liberalizing and deregulating the economy, addressing the limitations of the "mixed economy," and integrating India into the global market. Consequently, regulatory controls and licensing systems were partially dismantled, leading to a significant economic upsurge that has persisted to the present day (Arora & Puranik, 2004).

Post CSR legislation (2013 onwards)

The new Company act of 2013 made it mandatory for certain profit-making companies to allocate and spend 2% of their profit on defined CSR activities. The provisions that are enshrined under section 135 of the Company Act 2013 pertaining to Corporate Social Responsibility shall be referred in light of the Companies (Social Responsibility Policy) Rules, 2014 (herein after referred as to 'the CSR Rules')

❖ **CSR Definition as per Company Act 2013**

CSR means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely: -

1. Activities undertaken in pursuance of normal course of business of the company.
2. Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
3. Contribution of any amount directly or indirectly to any political party under section 182 of the Act.
4. Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019.
5. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
6. Activities carried out for fulfilment of any other statutory obligations underany law in force in India.

❖ **Net Profit (Rule 2(h) of the CSR Rules read with explanation to section 135 of the Act)**

Net profit means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions (net profit shall be calculated in accordance with provisions of section 198) of the Act, and **but shall not include** the following, namely;

- Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

Ongoing project (Rule 2(i) of the CSR Rule read with explanation of Sec 135 of the Act)

Ongoing project means:

- A multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and
- Such project that was initially not approved as a multi-year project but whose duration has been extended beyondone year by the board based on reasonable justification

❖ **Criteria that mandate constitution of CSR committee -**

A company shall constitute a Corporate Social Responsibility Committee of the Board if during the **immediately preceding financial year** such company having;

a. Net worth of rupees five hundred crore or more **or**

b. Turnover of rupees one thousand crore or more **or**

c. Net profit of rupees five crore or more.

As per Rule 3(1) of CSR Rules, every company including its holding or subsidiary, and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India, which fulfils the criteria specified in sub-section (1)of section 135 of the Act shall comply with the provisions of section 135 of the Act and CSR rules.

❖ **Amount of CSR Expenditure -**

The Board of every company referred to in sub-section (1) i.e., where CSR committee required to be constituted, shall ensure that the company spends, in every financial year, **at least two percent of the average net profits of the company** made during the three immediately preceding financial years.[2]

THE KEY DRIVERS FOR CSR

Many companies perceive corporate social responsibility as a peripheral concern compared to customer satisfaction, which they prioritize. However, various factors are compelling businesses to embrace CSR, including:

a) Direct Economic Value/Brand Reputation: While profitability remains the primary objective, companies recognize the potential for contributing to social and environmental goals through CSR integration into their business strategies. They increasingly realize that CSR can yield direct economic benefits. By adopting CSR practices, companies can enhance their reputation among the public and government stakeholders.

b) Laws and Regulations: Another catalyst for CSR is the oversight role of independent mediators, particularly governmental bodies, in safeguarding broader social welfare encompassing people and the environment. Governments play a crucial role in shaping the CSR agenda through the enactment of laws and regulations that encourage responsible business conduct.

c) Competitive Labor Markets: In today's competitive landscape, employees are placing greater emphasis on aligning with employers whose values and operational approaches resonate with their own beliefs. Beyond monetary compensation and benefits, skilled workers are seeking out organizations that prioritize ethical practices and positive social impact. To attract and retain top talent, companies are compelled to enhance working conditions and uphold ethical standards.

d) Philanthropy: Historically, philanthropy has served as a driving force, rooted in principles of ethics and welfare. Following the Second World War, the emergence of various national and international regulations, facilitated by entities such as the International Labour Organization (ILO), underscored the imperative for active social policies among transnational corporations.

e) Ethical Consumerism: The surge in ethical consumerism's popularity over the past two decades correlates with the ascent of CSR. As the global population expands, the strain on finite natural resources required to meet escalating consumer demands intensifies. There is growing evidence indicating that companies' ethical behavior significantly influences consumers' purchasing decisions.

f) Globalization and Market Forces: In the face of globalization and market pressures, corporations encounter numerous challenges, including government regulations, tariffs, and environmental restrictions, which can incur substantial costs. Organizations can gain a competitive edge by leveraging their social contributions to navigate these challenges effectively.

g) Social Awareness and Education: There is a mounting pressure from corporate stakeholders for companies to exhibit responsible behavior. Non-governmental organizations (NGOs) play a pivotal role in this regard, leveraging media and internet platforms to amplify scrutiny and collective activism concerning corporate conduct.

h) Supplier Relations: With growing stakeholder interest in business operations, many companies are proactively addressing the social responsibility of their partners. Some are implementing codes of conduct for their suppliers to safeguard against reputational damage arising from partners' policies or practices.

CODES & STANDARDS FOR CSR

1. Global Reporting Initiative (GRI): GRI has been addressing the imperative for a standardized approach to corporate sustainability reporting. In 2006, GRI published Version 3.0 (G3) of its Sustainability Reporting Guidelines, which emphasized performance indicators, including a dedicated section titled "Human Rights" comprising nine performance indicators. It represents an international, multi-

stakeholder endeavor aimed at establishing a common framework for voluntary reporting on the economic, environmental, and social impacts of organizational activities. Its mission is to enhance the comparability and credibility of sustainability reporting on a global scale.

2. United Nation Sustainable Development Goal 2030: The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

3. Social Accountability 8000 (SA 8000): Introduced in 2000 by the Council on Economic Priorities Accreditation Agency (CEPAA), SA 8000 sets a standard for social accountability. Its code of practice encompasses nine crucial areas, including child labor, management systems, working hours, compensation, disciplinary practices, forced labor, health and safety, freedom of association and collective bargaining, and discrimination.

4. International Organization for Standardization (ISO) 26000: ISO, as an international standard-setting body, has developed ISO 26000 as a guideline for Social Responsibility. This standard is designed for use by organizations worldwide, aiming to assist them in operating in a socially responsible manner. ISO 26000 identifies seven fundamental subjects of CSR, including environment, labor practices, human rights, organizational governance, fair operating practices, consumer issues, and social development.

5. Occupational Health & Safety Advisory Services (OHSAS) Standard: OHSAS

18001 is applicable to any organization seeking to establish a health and safety management system in the workplace.

6. Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises: The OECD guidelines encompass recommendations covering core labor and environmental standards, human rights, competition, taxation, science and technology, anti-corruption measures, and consumer rights. These guidelines recognize and promote the potential contribution of Multinational Enterprises (MNEs) to local capacity building through their activities within communities.

LITERATURE REVIEW

A literature review serves as a comprehensive examination of existing knowledge, encompassing significant findings, theoretical insights, and methodological advancements related to a specific subject. It constitutes a secondary source, devoid of any novel experimental contributions. Its primary objective is to provide readers with an updated overview of current literature on a given topic, laying the groundwork for subsequent endeavors such as future research initiatives.

To methodically structure the present study, the researcher extensively surveyed a substantial body of research and literature pertaining to corporate social responsibility. Several reviews of prior studies conducted within the realm of CSR were examined to inform the design and direction of the current investigation.

Following are the literature reviews that have been studied related to Corporate Social Responsibility (CSR) are -

Sanjay Pradhan, Akhilesh Ranjan (2010), The paper concludes that social responsibility is widely recognized as a significant business imperative among Indian companies, regardless of their size, sector, or business objectives. As a result, CSR initiatives yield positive impacts not only on the development of rural communities but also on the overall business performance. The authors elucidate several key lessons derived from CSR practices in India, which offer valuable guidance to corporate entities seeking to enhance the implementation of their CSR activities.[3]

Anupam Sharma and Ravi Kiran (2012), explains Corporate social responsibility (CSR) is emerging as a burgeoning field in management research, particularly in India, where numerous firms are actively engaging in CSR practices to address diverse societal needs. The present study endeavors to assess the status, progress, and initiatives undertaken by major Indian corporations regarding the framing and implementation of CSR policies. Data collection involved gathering information from firms' official websites, conducting in-person interviews, and administering structured questionnaires. Specific CSR initiatives in the realms of health, education, and the environment were identified based on existing literature, and respondents were tasked with rating these initiatives on a scale of 1 to 5.

The study utilized this data to construct a matrix of various policy factors, with all CSR initiatives rated accordingly. The findings indicate a strong inclination toward CSR initiatives within the IT and auto industries, while the FMCG sector shows a comparatively lesser focus on social responsibility endeavors. Despite India's notable strides in embracing new CSR initiatives, the study underscores the ongoing need for further progress in this domain.[4]

Dr. Jitender Loura (2014), concludes that the obligation of the industry and major corporate entities towards society has been fulfilled in various forms since the inception of these industries. In India, corporate giants such as Birla and Tata were engaged in social responsibility practices, such as donations and charity, even before formally adopting the CSR framework. This paper investigates how Public Sector Undertakings (PSUs) perceive and implement CSR, identifying key CSR practices and aligning them with Global Reporting Initiative Standards. The study explores CSR practices in PSUs

within the context of rural development. Methodologically, secondary data from internet-based research, literature reviews, and visits to PSUs like Airports Authority of India (AAI), a Category-1 PSU, were utilized. CSR initiatives for rural development were categorized into five areas: livelihood, health, education, environment, and infrastructure. The paper concludes that social responsibility is deemed a crucial business concern for Indian public sector companies, regardless of their turnover, sector, or objectives. Consequently, CSR actions can potentially benefit both the rural community's development and the business operations of PSUs.[5]

Ayush Kumar & Kavita Singh (2015), provides Corporate Social Responsibility (CSR) signifies the commitment of corporate entities to society. It necessitates that corporations carefully consider the impact of their decisions and operations on the broader population. CSR serves as a guiding framework through which businesses uphold ethical and moral standards, facilitating an equitable distribution of economic, social, and natural resources to meet the expectations of stakeholders. Moreover, CSR extends beyond customers to encompass employees, suppliers, investors/shareholders, and governmental entities, collectively forming the societal ecosystem within which corporations operate.

This research primarily focuses on providing a comprehensive perspective of CSR and recent CSR practices undertaken by corporate entities to foster rural development. The objective includes providing basic infrastructural services and addressing regional disparities resulting from operational gaps or the inability of authorized agencies.[6]

Dharamshi Pratik and Dr. Bora Chandan (2014) highlighted Corporate Social Responsibility (CSR) is a facet of corporate governance seamlessly integrated into the business model. It goes by various names such as corporate conscience, citizenship, social performance, or sustainable responsible business. A CSR policy operates as an inherent, self-regulatory mechanism enabling businesses to monitor and ensure their active compliance with legal requirements, ethical standards, and international norms. The overarching aim of CSR is to assume responsibility for the company's actions and foster a positive impact through its operations on the environment, consumers, employees, communities, stakeholders, and the broader public sphere.

In addition, CSR-oriented businesses actively champion the public interest by fostering community growth and development and voluntarily discontinuing practices detrimental to the public sphere, irrespective of their legality. CSR entails the deliberate integration of public interest considerations into corporate decision-making processes, constituting the core business ethos of the company or firm, and the commitment to

uphold a triple bottom line - encompassing people, planet, and profit.[7]

Vivek Wankhade (2014), explained Corporate Social Responsibility (CSR) embodies the corporate commitment to fostering equitable growth and sustainable development within society. With the enactment of the new Companies Act in 2013 by Parliament, profitable companies are mandated to allocate a minimum of 2 percent of their average net profit over the preceding three years towards CSR activities. Against this backdrop, the current paper undertakes an examination of CSR spending by Indian companies. The study further delves into a comparative analysis of CSR expenditure as a percentage of Profit After Tax (PAT) and the transparency score of both public sector and private sector companies.[8]

Sarita Moharana (2013), shows Corporate Social Responsibility (CSR) serves as the vehicle through which corporate organizations manifest their philanthropic aspirations for societal welfare. It stands as a potent means of achieving sustainable competitive profits while fostering enduring value for both stakeholders and shareholders. As observed by Singer (2009), CSR remains notably prevalent in the financial sector, which, unlike other developed economies, remained relatively resilient to the financial crisis.

The process of globalization has intensified competition among financial institutions, compelling them to adhere to internationally recognized trade practices. Consequently, this impetus has led them to allocate resources towards increased social initiatives. Presently, numerous nationalized banks in India have cultivated distinct brand images in CSR through various social endeavors aimed at welfare and community development. Their catalytic contributions to India's economic growth have established them as significant entities in fostering financial prosperity.

The primary objective of this study is to scrutinize the CSR activities undertaken by select nationalized banks in India. The analysis focuses on the CSR practices of five nationalized banks: Allahabad Bank, Andhra Bank, Bank of Baroda, State Bank of India, and UCO Bank. It reveals that these banks are actively involved in CSR endeavors, particularly in areas such as rural development, education, community welfare, and support for women and children. However, the analysis also highlights that their CSR efforts are somewhat constrained within certain domains. Thus, there exists a pressing need for banks to enhance their CSR activities by addressing a broader spectrum of social development issues intertwined with the corporate sector.[9]

Nanjunda (2015), shows Corporate Social Responsibility (CSR) holds profound implications for the inclusive development of any country, significantly reducing reliance on government social expenditure and fostering accelerated inclusive growth. The scale of CSR engagement has witnessed substantial growth in India over the past decade. Given that businesses operate within society, it becomes incumbent upon them to allocate a fraction of their profits towards societal betterment.

Aligning the fundamental business philosophy with a sharper, smarter, and more focused CSR approach is imperative and constitutes a cornerstone of 21st-century business practices. Nonetheless, critiques have surfaced regarding the recent government bill mandating companies to allocate a portion of their profits for social causes. While many companies have indeed invested significant portions of their profits in various social development sectors, research indicates that their CSR initiatives have reached areas where government intervention was lacking. However, reports suggest that a considerable number of companies have yet to formalize CSR policies.

Despite the involvement of various Indian corporates in CSR activities, the efforts are deemed insufficient when juxtaposed with their actual financial capabilities. This paper lays a robust foundation for discussing the potential role of CSR in promoting social inclusion.[10]

Verma and Chauhan (2007), discovered that corporate CSR activities primarily focus on addressing concerns related to roads, pollution, and power, while communication and education are identified as the areas of least concern.[11]

Moon (2004), the paper explored the government's role in fostering corporate social responsibility (CSR) initiatives among corporations. It elucidated that the drivers of CSR are intertwined with both business and society. Within the business realm, factors such as reputation, corporate identity, employee relations, knowledge, and goals play pivotal roles. Moreover, the study underscored the government's role as a catalyst for CSR, ensuring the authenticity and fairness of this relationship through the formulation of policies and regulations. Additionally, the study delved into how governments in other countries have intervened in business operations to promote CSR.[12]

The economic Times (2012), the news spotlighted the remarks of former President Dr. APJ Abdul Kalam at a CSR award ceremony hosted by the industry body Assocham. Kalam advocated for companies to allocate a portion of their objectives towards

corporate services, emphasizing the importance of making it mandatory for all companies to dedicate a percentage of their profits to corporate social responsibility. He also addressed the proposed bill regarding corporate expenditure on CSR, underscoring the increased significance of CSR in enhancing the lives of the country's citizens.[13]

R. Ashok Kumar, M.K Ganeshan, and Prof. C. Vethirajan, in their article titled "The Role of CSR in Rural Development in India," the authors concentrated on exploring the correlation between CSR and corporate endeavors aimed at rural development. The study aimed to investigate CSR initiatives and assess their impact on rural development in India. Furthermore, the paper delved into various CSR activities undertaken by corporations to foster development in remote regions, shedding light on their implications for rural development.[14]

Sarif Mohd, In this article titled "Corporate Social Responsibility in Rural Development: Evidence from India," the focus is on CSR initiatives and associated issues concerning rural development, particularly in light of the implementation of mandatory CSR. The study's objective was to assess the current status of rural development in India and to analyze CSR projects undertaken by Indian corporations in this domain. This study is exploratory in nature and relies on secondary data analysis. Data published by the Ministry of Rural Development was utilized to review rural development in India. The findings revealed that many companies allocate CSR funds towards education and healthcare, followed by rural development and environmental initiatives.[15]

OVER VIEW OF COMPANY PROFILE AND ITS CSR POLICIES

- **Company Profile :**

Central Coalfields Limited (CCL) is a subsidiary of Coal India Limited (CIL), an undertaking of the Government of India. CCL was established in 1956 as National Coal Development Corporation Limited and is a Category-I Mini Ratna company since October 2007. CCL manages the nationalized coal mines of the Coal Mines Authority, Central division. CCL is headquartered at Darbhanga House, Ranchi, Jharkhand.

CCL owns and operates the following:

36 Operative Mines: 03 Underground & 33 Opencast Mines;

- 5 Washeries: 4 Coking Coal Washeries (Kathara, Rajrappa, Kedla & Sawang),1Non-Coking Coal Washeries (Piparwar);
- 1 Central Workshop at Barkakana, 5 Regional Repair/ Workshops (3W/s are ISO 9001) at Jarandih, Tapin North, Dakra, Giridih & Bhurkunda
- 7 Coalfields (East Bokaro, West Bokaro, North Karanpura, South Karanpura, Ramgarh, Giridih & Hutar).

Financial Results of Company (in Crores)

Particulars	FY 2022-23	FY 2021-22
Total Revenue	17297.43	13,820.11
Net profit after Tax	2751.67	1696.92
CSR Expenses	43.39	53.14

- **CSR Policies:**

Implementation of CSR in CCL is based on CCL CSR Policy approved by its Board, Companies Act 2013 including subsequent amendments, Companies CSR Rules 2014 and amendments, directives of DPE, NITI Aayog and other Govt.

Rules/guidelines/Programmes.

CCL CSR Policy outlines sectors for CSR projects in line with Companies Act 2013.The policy envisages minimum expenditure on CSR @ 2% of average net profit of the company for the three immediately preceding financial years or ₹ 2.00 per tonne of coal production of previous year whichever is higher. Accordingly, target CSR expenditure in 2022-23 was Rs 46.27 crore.

As per CSR Policy, around 80% of CSR expenditure is targeted to be within 25 kms of operational units of CCL and the rest 20% in other parts of Jharkhand. As per DPE guidelines for CPSEs, Aspirational Districts are to be assigned priority and around 60% of CSR expenditure is to be done on annual theme decided by DPE; which is 'Health and Nutrition' for the year 2022-23.

In the FY 2022-23 the total CSR expenditure is ₹ 36.12 Crore against the target of ₹ 46.27 Cr. Out of ₹ 36.12 Cr of CSR expenditure in the FY 2022-23.

Sector-wise Spending on CSR activities in FY 2022-23 (in ₹Lakhs) are as follows:[16]

Sl. No.	Sector	Exp. In FY 2022-23 (in lakhs)
1	Healthcare and Nutrition	972.34
2	Education	811.73
3	Sports Promotion	593.05
4	Water Supply	379.33
5	Rural Development	256.37
6	Skill Development & Livelihood	161.62
7	Sanitation	142.18
8	Environment & SD	129.62
9	Animal Welfare	9.36
10	Welfare of Differently abled	7.55
11	Promotion of Art & Culture	3.89
12	Welfare of Senior Citizen	2.99
13	Disaster Management	1.5
14	Administrative exp.	140.72
	Total	**3612.25**

SIGNIFICANCE OF THE STUDY

Jharkhand is known for its rich mineral resources like Uranium, Mica, Bauxite, Granite, Gold, Silver, etc. and for the large amount of indigenous population living there. The state government expects that their CSR policy will create transparency and avoid duplication of efforts arising out of similar central and state-sponsored schemes thereby rationalizing the utilization of resources for positive impact. It will also help prioritize meaningful CSR projects to create a sustainable, long-term impact on communities and the environment. The government of Jharkhand aims to maximize the potential of CSR investments to achieve the results that are best for the state. Its sound policy is set to attract CSR investments in the state.

NEED OF THE STUDY

1. Corporate Social Responsibility (CSR) is an effective way of achieving and maintaining sound business management. By carrying out social responsibility a company can actually enhance its own economic value and brand image as well as benefits the society. In addition, companies and other organisations are required to have accountability towards stakeholders such as consumers, investors, employees, local residents etc. while utilising the resources of society. The companies on whom the provisions of the CSR shall be applicable are contained in Sub Section 1 of section 135 of the Companies Act, 2013. As per the said section, the companies having Net worth of INR 500 Crore or more; or Turnover of INR 1000 Crore or more; or Net Profit of INR 5 Crore or more during any financial year shall be required to constitute a Corporate Social Responsibility Committee of the Board "hereinafter CSR committee" with effect from 1st April, 2014 Therefore, there is a need to study CSR policies and project of selected Companies whether they are complaining above mentioned rules and regulations.

2. Many companies are putting more emphasis on Corporate Social Responsibility's Triple Bottom Line: People, Planet and Profit. These economic, social and

ecological values help to measure an organisation's success and impact on its stakeholders. Business has a responsibility to give back to the community in which they operate. In an increasingly competitive market place consumers are looking for companies that not only produce a quality product or service, but also reflect their own values. CSR is a vehicle through which companies give something back to the society, but the challenge before the companies is to identify CSR priorities and the areas of invention which are meaningful in the context of society development. So, there is a need to study and understand the CSR practices being taken by different corporate houses.

3. As we know that main motive of public sector undertaking is to generate employment, earn profits and use this for social welfare. Nowadays, CSR has become mandatory and there is a need to know which sector companies (private sector and public sector) are doing better CSR practices. This study will show sector wise comparison of CSR practices between public and private sector companies.

4. The study will also highlight that do the Indian firms truly believe in CSR and its ability to do social and financial good. Many companies and corporations have not yet realised the importance of CSR practices. Therefore, there is a need to study stakeholders‟ perception towards CSR.

5. Besides the responsibility towards the society the companies are responsible to work in a manner so that they earn profit and increase their profitability. Companies have responsibility towards shareholders, investors, creditors. So, there is a need to study what is the impact of CSR practices on profitability of the business.

6. To make an overall study that to what extent the companies in India are doing CSR practices, there is a need to study CSR practices in mining sectors of Jharkhand.

OBJECTIVES OF THE STUDY

The main objectives of the study are -

- To study the various theories and guidelines for CSR practices at national as well as international level.
- To study the revenue generated by using the local resources by the Public sector Undertaking (PSU) operating in Jharkhand correspond to the expenditure incurred by them in local areas of Jharkhand through CSR.
- To study the CSR practices as per the rule and regulation in India & GRI (Global Reporting Initiative) guidelines being taken by CCL.
- To compare the key CSR practices being practiced by CCL in Jharkhand.
- To study the stakeholders' perception towards CSR practices in CCL.
- To analyze the effect of CSR practices on profitability of the CCL.
- To give suggestions for better CSR practices based on findings emanated from the study.

HYPOTHESIS OF THE STUDY

Based on the above stated research objectives, the following research hypothesis will be formed for the study -

H_{01} – There is no significant awareness exists among stakeholders regarding CSR practices in Central Coalfield Ltd.

H_{02} - There is no significant relationship between CSR practices & profitability generate through utilizing local resources by Central Coalfield Ltd

RESEARCH METHODOLOGY

The purpose of study CCL (Central Coalfields Limited) is, it well established and generating profit through utilizing local resources (Natural Minerals). The selection is made on the following basis:

- It is practicing CSR practices in different areas of Jharkhand.
- It is among top 10 PSU companies on the basis of CSR expenditure.
- It is among top 10 PSU companies on the basis of Turnover

Sources Of Data:

To accomplish the above stated objectives of the study primary as well as secondary data will be taken into consideration. The data will be collected as following:

Primary Data:

Primary data will be collected through questionnaires. Questionnaires will be framed to know attitude & perception of the stakeholders of selected organisations towards the CSR practices followed by their companies. A detailed survey with the help of formally designed questionnaire will be made and questionnaire will consist of open and closed ended questions.

Secondary Data:

- Annual reports of selected companies
- Sustainability reports of companies
- CSR Reports of companies
- Official websites of companies
- Reports of surveys by private institutions
- Blogs and magazines on CSR

Population And Sampling

Total sample size will be of 500 Respondents, 200 unit from Non-Management staff &

50 units from management staff of Central Coalfield Ltd

All sample will be collected personally by me using Random sampling method: in case of Non-cooperation of staff, next staff will be picked by me randomly.

Data analysis tools

Statistical tools that will be used to analyse the data in this study are:

- Frequency
- Percentage Analysis
- Correlation Analysis
- Chi-Square Test
- Discourse Analysis
- Z-Test
- ANOVA

RESEARCH GAP

The research gap surrounding the role of Corporate Social Responsibility (CSR) lies in understanding its impact on various stakeholders and its effectiveness in achieving sustainable development goals, 2030 (United Nation) and Viksit Bharat 2047 vision. While numerous studies have explored the motivations behind CSR adoption and its benefits for companies, there remains a need to delve deeper into its effects on local communities, the environment, and broader societal well-being. Moreover, research could further investigate the most effective strategies for implementing CSR initiatives in Jharkhand, measuring their outcomes, and assessing their long-term sustainability. Furthermore, there is a lack of consensus on the optimal balance between profit-making and social responsibility within the framework of CSR, highlighting the need for more empirical evidence and theoretical frameworks to guide decision-making. Additionally, exploring the role of technology and innovation in enhancing CSR practices and addressing emerging social and environmental challenges represents another promising avenue for future research.

LIMITATIONS OF THE STUDY

- As the research gap says, very few researches have been conducted in this area, therefore, there is a lack of availability of uniform published data.
- Access to reliable and comprehensive data on CSR practices, outcomes, and impacts can be limited. Company may not disclose all relevant information, and there may be discrepancies in reporting standards across industries and regions.
- The Findings of the Research cannot be generalized on a large scale as the sample size is small.
- Secondary information collected from print literature, websites of these company and primary data were collected directly from the stakeholders through interviews or surveys.
- The data will be examined for the last three financial years that commence from 2021-22 to 2023-24.

TENTATIVE CHAPTERIZATION IN THE THESIS -

The proposed research work is divided into the following tentative chapters -

SL. No.	Name of Chapter
Chapter-1	Introduction & Literature Review
Chapter-2	A Brief Profile of CENTRAL COALFILED LTD, Ranchi
Chapter-3	Review of CSR Practices of CENTRAL COALFILED LTD, Ranchi
Chapter-4	Impact of CSR Practices on Company's Profitability
Chapter-5	Data Collection & Hypothesis Testing
Chapter-6	Conclusion, Findings & Suggestion.

(**Dr. Kumar Aditendra Nath Shah Deo)** (**Sourav Kumar**)

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